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Charlton L. Allen, Chairman



Bernadine S. Ballance, Commissioner
Linda Cheatham, Commissioner
Bill Daughtridge, Jr., Commissioner
Danny L. McDonald, Commissioner
Tammy R. Nance, Commissioner

North Carolina Industrial Commission

March 14, 2016

Greetings,

We are approaching the conclusion the end of the third quarter for the State of North Carolina's 2015 – 2016 fiscal calendar year. In addition, March 31st will mark the beginning of the required quarterly reporting to the North Carolina Industrial Commission's Employee Classification Section. Below you will find information regarding the quarterly and monthly reporting requirements.

Quarterly Reporting

Governor McCrory's Executive Order 83 set forth quarterly reporting requirements for all instances of employee misclassification. Quarterly reports are **due to our office no later than the 15th** of each month following the end of the quarter.

The report from each agency shall contain:

- The number of complaints of employee misclassification received;
- The number and amount of back taxes, wages, benefits, penalties or other monies **ASSESSED**;
- The amount of back taxes, wages, benefits, penalties or other monies **COLLECTED**;
- The number of complaints that have been referenced from your agency to the Employee Classification Director;
- The number of complaints that have been referenced to your agency from the Employee Classification Director.

It should be noted that all claims for misclassification (investigations complete and incomplete) shall be included within your quarterly report. Due to privacy requirements on information collected, we request that you share information in the aggregate. For example, **"We have received 25 claims of misclassification. Out of those claims we have completed 15 investigations resulting in \$20,000 of taxes assessed, \$5,000 in penalties and interest assessed. We are still reviewing the remaining 10 cases."** The report should be submitted using the format below. Under a separate cover, I will be emailing each agency the document that will be used in submitting this information to the Employee Classification Section.

Example:

NC Department of Commerce – Division of Employment Security Quarterly Report

Total Number of Complaints Received from Employee Classification Section	Gross Wages	Taxable Wages	Tax Assessed	Interest and Penalties	Number of Workers Misclassified

Total Number of Investigations Initiated from DES Audits	Gross Wages	Taxable Wages	Tax Assessed	Interest and Penalties	Number of Workers Misclassified

Monthly Reporting

Each agency shall provide to the Employee Classification Section, no later than the **5th of each calendar month**, the list of all firms that have been either reported, identified or audited based upon the agency's operational statuses for engaging in employee misclassification or having potential employee misclassification issues. The information reported will be shared with the state agencies listed in Executive Order 83. Monthly report shall include:

- Name of Company;
- Address, Telephone Number, Contact Information;
- Information on the misclassification activities;
- Name of Worker (Unless anonymity has been requested).

If you have any questions contact me so we can schedule a time to discuss. Thank you for your dedication and hard work.

Best,

Bradley Hicks

Director - Employee Classification